

January 9, 1990

Rita Walters
Board of Education
City of Los Angeles
450 North Grand Avenue
Los Angeles, CA 90051

RE: Your Request for Advice Our File No. A-89-666

Dear Ms. Walters:

You have requested advice concerning the campaign disclosure provisions of the Political Reform Act (the "Act").1/

## **FACTS**

You have been advised by counsel that recent court actions have affected FPPC regulations relating to the utilization of campaign funds possessed prior to the effective date of Proposition 73. You have established two separate bank accounts so that contributions received prior to January 1, 1989 may be distinguished from contributions received after this date.

## QUESTION

What are the permissible uses of campaign funds received prior to January 1, 1989?

## CONCLUSION

Candidates and officeholders may use all funds received prior to January 1, 1989 to support their own candidacy. Therefore, the funds you raised prior to January 1, 1989, may be used to support your candidacy for any elective office. Enclosed is FPPC advice letter I-89-378 which provides the basis for this conclusion and an analysis.

Effective January 1, 1990, certain restrictions on the use of campaign funds were added to the Act. (Chapter 1452, Stats. 1989.) Previously, these provisions were contained in the

<sup>1/</sup> Government Code Sections 81000-91015. All statutory references are to the Government Code unless otherwise indicated. Commission regulations appear at 2 California Code of Regulations Section 18000, et seq. All references to regulations are to Title 2, Division 6 of the California Code of Regulations.

Rita Walters Page 2

California Elections Code. In general, the new provisions (Sections 85800-85807) require that expenditures of campaign funds be reasonably related to a political, legislative or governmental purpose. Enclosed is a fact sheet which explains the provisions.

Finally, please note that, pursuant to Section 85304, a candidate may not transfer his or her campaign funds to another candidate or to a committee which will use the funds to support or oppose candidates for office.

Please do not hesitate to contact me at 916/322-5662 if you need additional assistance on this question.

Sincerely,

Kathryn E. Donovan General Counsel

By: Mary Ann Kvasager

Political Reform Consultant

Enclosure

FFOC

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Fair Political Practices Commission 428 "J" Street, Suite 800 Sacramento, California 95814

> Re: Utilization Of Campaign Funds Received Prior To The Effective Date Of Proposition 73

To The Commission:

I have been advised by District counsel that recent developments in court have affected the FPPC's regulation related to the utilization of campaign funds possessed prior to the effective date of Proposition 73.

As a result of your regulation, I have established two separate bank accounts, so that contributions possessed as of the effective date of Proposition 73 may be distinguished from contributions received after. (I have filed a notice of candidacy to enable the receipt of campaign funds.)

As I understand it, a summary judgment was granted in the United States District Court for the Eastern District of California. Your written advice is requested as to the continuing validity of your regulation on the subject and any other advice that you may be able to give me with respect to the utilization of these funds.

Should you have any questions related to this request, please feel free to contact me.

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cc: Richard K. Mason, Esq.

November 17, 1989

Rita Walters
Board of Education City of
Los angeles
450 North Grand Avenue
Los Angeles, CA 90051

Re: Letter No. 89-666

Dear Ms. Walters:

Your letter requesting advice under the Political Reform Act was received on November 20, 1989 by the Fair Political Practices Commission. If you have any questions about your advice request, you may contact me directly at (916) 322-5662.

We try to answer all advice requests promptly. Therefore, unless your request poses particularly complex legal questions, or more information is needed, you should expect a response within 21 working days if your request seeks formal written advice. If more information is needed, the person assigned to prepare a response to your request will contact you shortly to advise you as to the information needed. If your request is for informal assistance, we will answer it as quickly as we can. (See Commission Regulation 18329 (2 Cal. Code of Regs. Sec. 18329).)

You also should be aware that your letter and our response are public records which may be disclosed to the public upon receipt of a proper request for disclosure.

Very truly yours,

Jeanne Pritchard

Chief Technical Assistance and Analysis Division

JP:plh